

## **R E M A R K S**

### **A. Introduction**

- These remarks are filed concurrently with a Notice of Appeal and Request for a Pre-Appeal Brief Conference.
- Claims **3, 6-9, 12-15, 18-20, 22, 34, 38, 39, 42-45, 50, 51, 55, and 57-61** are pending, rejected, and are being appealed.
- Claims **3, 9, 15, 20, 34, 38, 39, 42-45, 50, 51, 55 and 57 – 61** are the only independent claims

### **B. Claim Rejections Under 35 U.S.C. §103(a)**

All of Claims 3, 6-9, 12-15, 18-20, 22, 34, 38, 39, 42-45, 50, 51, 55, and 57-61 stand rejected under 35 U.S.C. 103 as being unpatentable over “Health Care Planning” by Deborah Steinborn (hereinafter “Steinborn”), in view of U.S. Patent No. 5,384,449 issued to Peirce (“Peirce”) and in view of U.S. Patent No. 6,029,144 issued to Barrett et al. (“Barrett”). We respectfully traverse the 35 U.S.C. §103(a) rejections.

The Steinborn article describes some of the difficulties encountered in getting health care providers to accept credit cards as payment (See col. 1, lines 31-40 and col. 2, lines 4-12). A preauthorized health care procedures concept promoted by Visa is described, which gives consumers (patients) the option of pre-authorizing the health care provider (e.g. a doctor) to bill their Visa accounts for the portion of a bill for health services not covered by insurance (col. 2, lines 35-41). It is apparent that the health care provider would then have to separately bill the health insurance company for the rest of the bill.

In stark contrast, the present invention concerns methods and apparatus for processing a charge applied for a full transaction amount to a credit card account or a debit card account of a cardholder, for example. A reimbursement rule corresponding to the charge data is determined, and if certain conditions are met, then a first charge amount is apportioned and applied to the credit card account or debit card account and a second charge amount is applied to a financial account of a reimbursing party. For example, in the field of health care, a patient utilizing the present invention would present a credit card to a doctor for payment. The doctor processes a charge for the full amount to that credit card and will be paid for her services by the credit card company. Meanwhile, in a manner that is transparent to the doctor, the credit card company determines the reimbursement rule for the

charge data and then applies a first charge to that credit card (that the patient will pay) and a second charge to a financial account (belonging to a health insurance company).

As noted on page 3 of the Final Office Action, the Examiner recognized that Steinborn fails to suggest or teach a method for processing a charge applied to at least one of a credit card account and a debit card account wherein more than one merchant may post charges. It is further submitted that Steinborn fails to teach or suggest another feature as recited in each of pending independent claims 3, 9, 15, 20, 34, 38, 39, 42-45, 50, 51 and 55. In particular, all of these independent claims provide that at least a portion of a transaction is applied to the reimbursing party's financial account rather than to the consumer's (account holder's) credit card account or debit card account. The Visa program described in Steinborn merely allows a consumer to have the option of pre-authorizing the provider (e.g. a doctor or hospital) to bill his Visa credit card (e.g. the consumers' account) for the portion of the bill not covered by insurance (See col. 2, lines 35-42 of Steinborn). There is no teaching or suggestion to bill any other financial account.

It is respectfully submitted that neither Peirce or Barrett cures these deficiencies of Steinborn. In particular, Peirce relates to a credit card authorization matching system for a credit card transaction system that operates by assigning the same identification code to authorization and transaction records associated with a particular transaction. The records may be matched by matching the identification number in the records, even if other data in the records does not match (See the Abstract and col. 3, lines 5-15 of Peirce). The focus of the Pierce disclosure is to provide an improved authorization matching system for credit card transactions. Peirce is not directed to methods and apparatus for processing a charge wherein when a transaction occurs, a reimbursement rule is determined and followed to apply a first charge to at least one of a credit card account and a debit account, and to apply a second charge to a financial account as recited in the pending claims. In fact, the Examiner recognized this deficiency of Peirce on page 3 of the Final Office Action.

Barrett pertains to an automated employee expense reimbursement auditing system for use with reimbursement requests submitted by employees to their employer, which may be a large company (See col. 1, lines 7-15). In particular, the workstation of each employee includes an expense entry application that enables the employee to submit requests for reimbursements (col. 4, lines 49-53). The disclosure specifies that employee reimbursement requests are evaluated to see if they comply with company policy rules and to detect the possibility of fraud. In a preferred embodiment, a policy checker and an auditor workflow system are used

together, and any reimbursement request that fails the policy test is routed to an auditor for manual verification (See col. 1, line 63 to col. 2, line 20, and col. 2, lines 54-61). Thus, there is no suggestion or teaching in Barrett of a method or system for processing a charge to at least one of a credit card account or a debit card account and a financial account as required by the pending claims. Consequently, Barrett does not cure the deficiencies of Steinborn and Peirce.

In addition, the Examiner has failed to point out any teaching or suggestion in any of Steinborn, Peirce or Barrett for their combination. We note that the Action states that the motivation to combine these references is to “speed the reimbursement payment and enhance the accuracy of payment as it is split into different accounts”, but we could not find support for such a statement in any of the cited references. If the Examiner is basing such a motivation to combine the cited references on general knowledge, the Applicants respectfully request support for such an assertion by citation to a reference.

The Applicants respectfully assert that there is no teaching or suggestion in either of Steinborn, Peirce, or Barrett to combine them. This rejection is therefore a hindsight reconstruction, using Applicants’ claims as a template to reconstruct the invention by picking and choosing isolated disclosures from the prior art. This is impermissible. For example, in *In re Fritch*, 972 F.2d 1260, 1266, 23 USPQ2d 1780, 1784 (Fed. Cir. 1992), the Federal Circuit Stated:

It is impermissible to use the claimed invention as an instruction manual or “template” to piece together the teaching of the prior art so that the claimed invention is rendered obvious. *In re Gorman*, 933 F.2d 982, 987, 18 USPQ2d 1885, 1888 (Fed. Cir. 1991). This court has previously stated that “[o]ne cannot use hindsight reconstruction to pick and choose among isolated disclosures in the prior art to deprecate the claimed invention.” (Quoting *In re Fine*, 837 F.2d at 1075, 5 USPQ2d at 1600).

The present rejection fits the court’s description of what may not be done under Section 103. The Examiner merely listed certain components of Applicants’ invention and then located isolated disclosures of those components. The law requires more than that.

The Examiner must show where the prior art provides a motivation to combine the references she has combined in the obviousness rejection. Absent a motivation to combine, obviousness has not been demonstrated. As the Federal Circuit stated in *Northern Telecom, Inc. v. Datapoint Corp.*, 908 F.2d 931, 934, 15 USPQ2d 1321, 1323 (Fed. Cir. 1990):

It is insufficient that the prior art disclosed the components of the patented device, either separately or used in combinations; there must be some teaching, suggestion, or incentive to make the combination made by the inventor.

Furthermore, even if Steinborn, Peirce and Barrett were combined as suggested by the Examiner, and again there is no teaching or suggestion in any of these references for such combination, none of the claims would be the result. Any such combination would fail to include a reimbursement rule that is associated with a credit card account or debit card account, and wherein a financial account of a reimbursing party may be billed for at least a portion of a transaction amount charged to the credit card account or the debit card account.

It is also respectfully submitted that Steinborn, Peirce and Barrett fail to suggest or teach other aspects of the claims. For example, with regard to independent claims 57-61, these cited references do not teach or suggest any of the following:

- transmitting to the reimbursing party a billing statement for the financial account of the reimbursing party,
  - in which the billing statement includes an indication of the second charge amount
- determining whether the reimbursing party has remitted a payment of the second charge amount within a predetermined period of time
- applying the second charge amount to the financial account of the account holder if the reimbursing party has not remitted a payment of the second charge amount within the predetermined period of time

which are generally provided in claims 57 – 61. Moreover, independent claims 57 – 60 each provide for determining a reimbursement rule that is associated with a credit card or a debit card account, in which the reimbursement rule indicates a period of time for the reimbursing party to remit payment. None of Steinborn, Peirce or Barrett, either alone or in combination, teaches or suggests such a feature. The Examiner does not find otherwise, and thus cannot have established a prima facie case of obviousness.

Accordingly, the Applicants respectfully assert that independent claims 3, 9, 15, 20, 34, 38, 39, 42-45, 50, 51, 55 and 57 – 61 are patentably distinct over Steinborn, Peirce and Barrett, either taken alone or in combination. In addition, since claims 6-8, 12-14, 18, 19, and 22 each depend on one of these independent

claims, then these dependent claims should be allowable for at least the same reasons.

In view of the above remarks, the Applicants respectfully request withdrawal of all of the 35 U.S.C. §103(a) rejections and allowance of the present application.

### C. Conclusion

Applicants respectfully submit that the pending claims are in condition for allowance and the Examiner's rejection should be reconsidered and withdrawn. If there are any questions remain regarding the present application or any of the cited references, or if the Examiner has any further suggestions for expediting allowance of the present application, the Examiner is cordially requested to contact our representative.

Respectfully submitted,

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